



EXHIBIT

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Montana House of Representatives
Business and Labor Committee

Dear Chairman Berry and members of the Business and Labor Committee:

This letter is to show the Butte Local Development Corporation's support for Senate Bill 30. As the lead economic development entity for Butte-Silver Bow, we are fully aware of the benefits that the Big Sky Economic Development Trust Fund offers businesses. We definitely feel that SB 30 will make this program even more of a valuable economic development tool to help build our economy.

The program is designed to assist businesses that are starting up, relocating into the state or expanding their current operations. The amount of program funding is based on the number of jobs created after the application is accepted. A majority of new hires start at lower wages due to lower skill levels as it relates to the company's needs. As their skills grow, so does their value to the company and their opportunity for increased salary growth.

Currently the threshold to qualify for the Big Sky Trust Fund program in Butte-Silver Bow is \$17.73/hr. exclusive of benefits. This is a very high salary level for starting unskilled or semi-skilled positions, which is a majority of the positions in a manufacturing company. Since the number of qualifying positions determine the funding levels, this dramatically reduces the amount of assistance the Big Sky Trust Fund program can provide companies.

A good example of this situation is SeaCast of Montana. They are a investment casting company located near Butte that manufacturers precision parts for the aviation, transportation and medical industry. They received a grant to purchase, relocate and set-up a titanium furnace. They currently have 70 employees. Their starting salaries are approximately \$12/hr. plus full benefits. To date only 30 employees salaries have reached the pay threshold as designated within the program, thus SeaCast has not been able to fully utilize the amount that was authorized under the Big Sky program.

SeaCast recently formed a joint venture with GE Aviation to manufacturer component parts for the new GE high efficiency jet engines. This new partnership is projected to create additional jobs for southwest Montana. There will be a need for new manufacturing equipment. The Big Sky Trust Fund would be an excellent resource to help with the financing of the new equipment. The adjustments as proposed in SB 30 would provide vitally needed assistance to help this new manufacturing facility grow and create jobs.

Once again, the Butte Local Development Corporation fully supports SB 30 and asks the committee to cast a "Do Pass" vote. If you have any questions regarding this letter or our support of SB 30, feel free to contact me at (406) 723-4349.

Sincerely,

Jim Smitham
Executive Director

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